



February 15, 2019

VIA: Electronic Mail & FedEx

Ms. Mary McDaniel
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
US Department of Transportation
8701 South Gessner Road, Suite 630
Houston, TX 77074

**Re: CPF-4-2019-5003M
Notice of Amendment**

Ms. McDaniel,

The Notice of Amendment (NOA) referenced above and dated January 16, 2019 was received by Permian Express Partners, LLC (PEP) on January 16, 2019 via electronic mail. PEP is a subsidiary of Energy Transfer (ET).

The January 16 letter provided PEP 30 days to respond. Attached is the PEP response to the NOA items. PEP appreciates PHMSA's consideration of this response and the supporting documentation that is included. PEP believes that this information will resolve the items identified and detailed in the January 16 letter.

Should you have any questions or concerns please contact me at (713) 989-7126 or via email at todd.nardozzi@energytransfer.com.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Todd Nardozzi', is written over a light blue horizontal line.

Todd Nardozzi
Sr. Manager – DOT Compliance
Energy Transfer

cc: G. McIlwain, M. Milliken, D. Nichols, C. Lason



1. §194.440 Public Awareness

(a) Each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, see §195.3).

(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Permian Express (Sunoco/Energy Transfer) failed to include the LOLA asset in the Sunoco Pipeline L.P. Public Awareness Plan. Sunoco acquired the Permian Express (OPID-39596) asset in February 2017.

The Sunoco Pipeline L.P. Public Awareness Plan (rev. 3.6; last annual review May 23, 2016); page 6; Table 1-Introduction and Scope did not include The Permian Express Partners, LLC (OPID-39596) and therefore, does not include the LOLA pipeline system asset. The Plan also has not been reviewed since May 2016.

Permian Express must ensure that the Public Awareness Plan it follows include Permian Express Partners, LLC (OPID-39596) as a part of that plan and its assets.

PEP Response

The Permian Express Partners (PEP) assets were covered under the Sunoco Pipeline L.P. (SPLP) Public Awareness Plan. This was indicated to PHMSA via an OPID Assignment Request (O-20170124-26607) filed with PHMSA on January 24, 2017 (see Attachment 1). PEP respectfully refers PHMSA to page 6, Item 1(d) of this Request which indicates the pipelines and facilities covered by this OPID Assignment Request have one or more PHMSA required pipeline safety programs that also apply to pipeline assets with other OPID numbers for the purposes of compliance with PHMSA regulations and goes on to list the "primary" OPID for each common PHMSA required pipeline safety program. Item 1(d) indicates that the Public Awareness Program of OPID 18718 (SPLP) will cover the assets included in the PEP OPID Assignment Request. The PEP OPID Assignment Request was processed and approved by PHMSA resulting in OPID 39596 being issued.

Due to the SPLP merger with Energy Transfer (ET), a Type C Shared Safety Program Change Operator Registry Notification (C-20180625-20748) was made by PEP on June 25, 2018 (see Attachment 2). PEP respectfully refers PHMSA to page 2, Item 1(d) of this Notification which indicates the Public Awareness Program for the PEP assets changed to that of OPID 32099 (Energy Transfer Company) replacing that of OPID 18718 (SPLP) effective May 1, 2018.



PEP does not dispute that the SPLP Public Awareness Plan, Table 1-Introduction and Scope did not specifically include the PEP name and OPID. However, this did not impact compliance with the requirements of §195.440 Public Awareness. All required Public Awareness activities were completed under the SPLP Program for the PEP assets until May 1, 2018 at which time the SPLP Public Awareness Program was retired.

Since May 1, 2018 all required Public Awareness activities have been completed under the ET Public Awareness Plan (SOP HLA.17). Section 3.0 ‘Applicability’ of HLA.17 states “The Public Awareness Plan applies to all of the company’s hazardous liquids transmission pipelines and related pipeline facilities” which includes PEP. Further, Section 4.0 ‘Frequency’ of HLA.17 states “The Public Awareness Plan shall be reviewed annually and updated as required at intervals not to exceed fifteen months, but at least once every calendar year”.

Documentation of the required Public Awareness activities for the PEP assets and specifically the LOLA pipeline system since February 1, 2017 can be made available to PHMSA upon request.

2. §194.452 Pipeline integrity management in high consequence areas.

**(b)What program and practices must operators use to manage pipeline integrity?
Each operator of a pipeline covered by this section must:**

(1) Develop a written integrity management program that addresses the risks on each segment of pipeline in the first column of the following table not later than the date in the second column:

Permian Express (Sunoco/Energy Transfer) failed to ensure that the Integrity Management Plan included the LOLA pipeline system.

Permian Express was acquired by Sunoco/Energy Transfer in February 2017 and follows the Sunoco Logistics Pipeline Integrity Management Plan (Rev. 18; March 2017). The Integrity Management Plan was reviewed in March 2017. Page 5 of 68 of that plan, shows the pipeline systems covered by that Plan. The Permian Express (OPID-39596) is not listed. At the close of the inspection, the asset had not been included.

Permian Express must ensure that the Integrity Management Plan it follows includes Permian Express Partners, LLC (OPID-39596) as a part of that plan and its assets.

PEP Response

The Permian Express Partners (PEP) assets are covered under the SPLP Integrity Management Plan. This was indicated to PHMSA via an OPID Assignment Request (O-20170124-26607) filed with PHMSA on January 24, 2017 (see Attachment 1).



PEP respectfully refers PHMSA to page 6, Item 1(g) of this Request which indicates the pipelines and facilities covered by this OPID Assignment Request have one or more PHMSA required pipeline safety programs that also apply to pipeline assets with other OPID numbers for the purposes of compliance with PHMSA regulations and goes on to list the “primary” OPID for each common PHMSA required pipeline safety program. Item 1(g) indicates that the Integrity Management Program of OPID 18718 (SPLP) will cover the assets included in the PEP OPID Assignment Request. The PEP OPID Assignment Request was processed and approved by PHMSA resulting in OPID 39596 being issued.

Page 5 of the SPLP Integrity Management Program has been updated to list OPID 39596 Permian Express Partners LLC (see attachment 3).

All required §195.452 Integrity Management activities for the PEP assets and specifically the LOLA pipeline system will continue to be carried out under the SPLP Integrity Management Plan until such time they are integrated into the ET hazardous liquid Integrity Management Plan. After this occurs the required PHMSA Registry Notification will be made per the requirements of §195.64.

3. §194.505 Qualification program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

- (a) Identify covered tasks;**
- (b) Ensure through evaluation that individuals performing covered tasks are qualified;**
- (c) Allow individuals that are not qualified pursuant to the subpart to perform a covered task if directed and observed by an individual that is qualified;**

Permian Express (Sunoco/Energy Transfer) failed to ensure that the Span of Control (SOC) adequately reflects the actual SOC for covered tasks performed by operator personnel.

Sunoco Pipeline & Affiliates Operator Qualification Plan (rev.17; eff. September 25, 2017), OQ-Appendix C; does not set a limit for Span of Control (SOC) of OQ covered tasks. The plan notes that the SOC is situation specific and the maximum allowed direct observation limitation for any one covered task is 1 qualified individual to 5 nonqualified individuals. For example, Task No. 201 in Appendix C shows that there is no set limitation to the number of non-qualified individuals that an OQ Qualified individual can direct and observe and the maximum would be five (5). However, the Energy Transfer document (dated June 8, 2017) Training & Evaluation Guide (TEG) for Valve Inspections states that the Span of Control for this covered task is that 1 qualified person can supervise 3 unqualified people.



Permian Express must ensure that the Operator Qualification Plan-Appendix C; Qualification Frequency & Direct Observation Limitation (Span of Control) directly reflects the SOC listed in the Training & Evaluation Guide for the covered tasks.

PEP Response

The Permian Express Partners (PEP) assets were covered under the SPLP Operator Qualification Plan. This was indicated on OPID Assignment Request (O-20170124-26607) filed with PHMSA on January 24, 2017 (see Attachment 1). PEP respectfully refers PHMSA to page 6, Item 1(f) of this Request which indicates the pipelines and facilities covered by this OPID Assignment Request have one or more PHMSA required pipeline safety programs that also apply to pipeline assets with other OPID numbers for the purposes of compliance with PHMSA regulations and goes on to list the “primary” OPID for each common PHMSA required pipeline safety program. Item 1(f) indicates that the Operator Qualification Program of OPID 18718 (SPLP) will cover the assets included in the OPID Assignment Request. The PEP OPID Assignment Request was processed and approved by PHMSA resulting in OPID 39596 being issued.

Due to the SPLP merger with ET, a Type C Shared Safety Program Change Operator Registry Notification (C-20180625-20748) was made by PEP on June 25, 2018 (see Attachment 2). PEP respectfully refers PHMSA to page 2, Item 1(f) of this Notification which indicates the Operator Qualification Program for the PEP assets changed to that of OPID 32099 (Energy Transfer Company) replacing that of OPID 18718 (SPLP). The PEP assets are currently included in the Operator Qualification Plan of Energy Transfer Company.

PEP wishes to clarify with PHMSA that the SPLP Operator Qualification Plan OQ-Appendix C is specific to the SPLP OQ Plan and the ET Training & Evaluation Guides (TEG’s) for all covered tasks identified under the ET Operator Qualification Plan (SOP HLA.18) are specific to the ET Plan. PHMSA has mistakenly connected these programs and documents to each other. Additionally, the SPLP Operator Qualification Plan was retired on May 1, 2018. Since that time the HLA.18 ET Operator Qualification Plan has been in effect for the PEP assets.

Specifically addressing the issue concerning Span of Control (SOC) ratio, PEP points out that the ET HLA.18 Operator Qualification Plan, Appendix A prescribes specific SOC ratios for each Covered Task identified in the Plan. These SOC ratios are reflected in the associated TEG’s for each Covered Task and are consistent with Appendix A (see Attachment 4).